



VIA EMAIL: costsenbanc@cpuc.ca.gov

March 19, 2021

Marybel Batjer, President
California Public Utilities Commission
505 Van Ness Ave, 4th Floor
San Francisco, CA 94102

RE: Comments on the En Banc on Energy Rates and Costs

Dear President Batjer,

On behalf of Indivisible California Green Team and the undersigned California Indivisible groups listed below, we ask for your attention on this troubling En Bank

discussion about rising transmission costs inappropriately blamed on distributed energy resources, like solar energy.

The En Banc on Energy Rates and Costs was an interesting meeting of the minds and we appreciate the Commission taking the time to convene many diverse stakeholders to discuss the critical issue of energy affordability in California. However, we were quite disappointed and displeased with the amount of discussion and commentary about distributed energy resources (DER), such as rooftop solar, being a problem and hearing so much discussion about behind-the-meter (BTM) resources imposing a “cost shift” on California ratepayers.

The Commission’s own report highlights the major reasons for California’s energy affordability challenges very plainly:

- **Questionable, excessive, unsupervised transmission spending by the IOUs** - with PG&E being a particularly egregious culprit.
- **Wildfire mitigation costs** - largely being incurred due to the IOUs negligence in maintaining and upgrading their own infrastructure to mitigate climate risk over time.
- **Utility shareholder return on equity** - which has surpassed double digits for all 3 IOUs and is significantly higher than the national average.

It is **paramount that the Commission encourage** and nurture the growth of Distributed Energy Resources (DERs) and Behind The Meter (BTM) resources, **not discourage** customers from adopting these resources. *Tariffs promote cost sharing, not cost shifting.* Tariffs and market signals encourage private investment in the technologies and infrastructure that will help California achieve our climate goals and other public policy initiatives with a lower return on equity than IOU spending. Effectively, private capital (and public agency capital) can be secured at a much lower interest rate than IOU capital.

Cleantech companies, local governments, public agencies, small businesses, and individual customers are trying to invest their own capital in meeting California’s decarbonization and climate goals, but are being thwarted by the IOUs, who are only concerned with their own profits. **DERs and BTM resources are a small drop in the cost bucket compared to transmission costs and other utility expenditures.**

DERs and advanced energy technologies like microgrids represent dynamic load, not departed load. The Commission needs to stop treating DER customers as if they have defected from the grid and claiming they are “not paying their fair share”. Otherwise, in a few short years, they just might get fed up and actually defect – and the Commission will have much greater challenges with equity on its hands that it is not equipped to handle.

Furthermore, we are very concerned with the IOUs attempt to use the concepts of “equity” and “environmental justice” as a weapon against the DER industry. The Commission must resist the temptation to fall for this absurd utility propaganda. The IOUs have shown over the past century that they do not care about those values. They have sited power plants in poor communities of color, caused gas leaks and gas explosions to level entire neighborhoods, neglected rural community infrastructure, sparked wildfires with untold billions of dollars in damages, and thwarted the development of local clean energy at every opportunity. Their actions and track records speak for themselves. Do not be fooled by empty words, expensive marketing campaigns, and manipulative comparative statistical analyses.

Even more importantly, the Commission must stop making self-serving policy decisions that do not serve the public in order to keep itself as the regulator relevant. Tariffs and price signals for DERs are helping to facilitate public-private partnerships and leverage private capital so that not all costs for our clean energy transition are borne by ratepayers. The growth of DERs should not be perceived as a threat to the regulator or move towards deregulation. DERs installed by customers will still have government oversight and they must adhere to well-established safety and industry regulations that are constantly being updated and modernized.

Tariffs and price signals for distributed solar and microgrids are helping to *reduce costs for all ratepayers*. DERs reduce the need for expensive, vulnerable, risky transmission infrastructure, which saves money for everyone. Attempting to stymie customer investment in new clean energy technologies only seeks to preserve an expensive monopoly value proposition that cements ratepayers with unaffordable bills for a century-old grid with aging technology that is prone to outages and can cause catastrophic wildfires.

If the Commission was actually concerned about energy affordability, it should reduce the approved rate of return on equity for IOU shareholders. There is no reason that is based in reality that California ratepayers should be struggling to

afford rate hikes while IOU shareholders make record profits. Least of all during a global pandemic and recession where millions of Californians have lost their jobs or reduced wages.

If the Commission was actually concerned about energy affordability, it should more fully investigate self-approved transmission projects by the IOUs. The cost overruns articulated in the Commission's own presentation are worthy of class action lawsuits.

Finally, we implore the Commission to fully investigate and put a stop to IOU lobbying and advocacy on energy policy that is funded by ratepayers. As a government sanctioned monopoly, allowing utilities to use ratepayer funds for "astroturfing" fake grassroots coalitions on DER cost shifting like fixthecostshift.com is blatant abuse of power and misuse of ratepayer funds.

All three IOUs should be investigated by the State Attorney General for all their lobbying, advocacy, and regulatory activities, with all costs and expenditures heavily scrutinized. Ratepayers should not be *subsidizing* these activities – it is an egregious form of corporate welfare that California ratepayers can no longer afford.

Sincerely,

Jennifer Tanner

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Rooted in Resistance (Indivisible Pasadena)
Feminists in Action (Indivisible)
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